

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
EA-12 FRB-01 INR-07 IO-14 NEA-10 NSAE-00 USIA-15
OPIC-06 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00
OMB-01 SS-15 XMB-04 NSC-05 STR-04 ABF-01 FSE-00
/129 W

-----020702 240116Z /61

R 231622Z AUG 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 1468
INFO AMEMBASSY PARIS

UNCLAS MADRID 6254

USOECD

E.O. 11652: N/A
TAGS: EFIN, ETRD, OECD, ECON, SP
SUBJECT: KEY SPANISH ECONOMIC STATISTICS - NUMBER 9

REF: (A) MADRID 4991, (B) MADRID A-123, (C) MADRID 5632

1. MAJOR DELAYS IN PREPARING SPANISH STATISTICS CONTINUE. FURTHER, IT IS STILL EARLY TO GUAGE INITIAL OVERALL EFFECTS OF THE JULY 12 PESETA DEVALUATION AND OT IR SUBSEQUENTLY ANNOUNCED ECONOMIC MEASURES (SEE MADRID 5632). THE MINISTER OF COMMERCE, WITHOUT CITING STATISTICS, RECENTLY PREDICTED THAT THE DEVALUATION WILL INCREASE EXPORT EARNINGS AND TOURIST REVENUES LEADING TO A POSSIBLE REDUCTION THIS YEAR OF 500 TO 700 MILLION DOLLARS FROM THE 4 1/4 BILLION DOLLAR CURRENT ACCOUNT PAYMENTS DEFICIT IN 1976. IN SPITE OF THIS HOPEFUL PREDICTION, FINANCING OF THE CURRENT ACCOUNT DEFICIT IS A PROBLEM. THE SPANISH PUBLIC SECTOR RAPIDLY DREW DOWN AVAILABLE FOREIGN LOAN MONEY IN THE FIRST FIVE MONTHS (A NET DRAWDOWN OF 70.5 BILLION PESETAS COMPARED TO 6.7 BILLION IN THE SAME PERIOD LAST YEAR) WHILE AT
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THE SAME TIME FINDING MORE RESISTANCE FROM SOME PROS-
PECTIVE LENDERS. ONE POSITIVE RESULT OF THE DEVALUA-
TION ALREADY TALLIED: THE BILLION PLUS DOLLARS OF
FOREIGN EXCHANGE RESERVES LOST IN THE SIX WEEKS BEFORE
THE DEVALUATION HAVE RETURNED, LEADING TO THE FIRST
MONTHLY INCREASE OF FOREIGN EXCHANGE RESERVES SINCE
LAST AUGUST. BECAUSE OF THE REFLUX THE GOVERNMENT

QUICKLY ALLOWED THE PESETA TO STRENGTHEN AGAINST THE DOLLAR, REDUCING THE DEVALUATION FROM 25 PERCENT TO A CURRENT 21 PERCENT.

2. ON THE DOMESTIC FRONT, RAPID INFLATION PERSISTED IN MAY AND JUNE (FOR A TOTAL 13.4 PERCENT CONSUMER PRICE RISE IN THE FIRST SIX MONTHS OF THE YEAR). THE MINISTER OF COMMERCE HAS PUBLICLY WARNED THAT THERE WILL BE FUTURE "STRONG" RISES "FOR SOME MONTHS" BECAUSE OF THE PESETA DEVALUATION. IN JUNE THE MONEY SUPPLY (M3) GREW AT AN ANNUAL RATE OF 15 PERCENT, WELL BELOW THE ANNOUNCED TARGET OF 21 PERCENT. THOUGH THE GOVERNMENT'S SUBSEQUENT ECONOMIC PROGRAM CALLS FOR AN UNSPECIFIED REDUCTION OF THE 21 PERCENT GOAL, THE BANK OF SPAIN ADMITS THAT THE JUNE RESULTS WERE NOT WHAT WAS DESIRED. FOLLOWING AN ANNOUNCEMENT THAT THE GOVERNMENT WILL NO LONGER MAKE PRICE SUPPORT PURCHASES IN THE STOCK MARKETS NEW LOWS HAVE BEEN REGISTERED BY THE MADRID STOCK EXCHANGE INDEX.

3. A) OUT PUT AND DEMAND

(1)-(6) NO NEW DATA

(7) MADRID STOCK MARKET INDEX (SERIES NOW BASED ON DEC. 31, 1976 EQUAL 100) (DEC. 31, 1975 EQUAL 100: DEC. 31, 1976 EQUAL 71.44)

AUGUST 23, 1977 EQUAL 77.64.

B) PRICE INDEXES

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(1) (A) CPI (1968 EQUAL 100) NO NEW DATUM

(B) CPI (1976 EQUAL 100) NO NEW INDEX NUMBERS AVAILABLE

5/77 (PROV) PLUS 0.8 PERCENT

6/77 (PROV) PLUS 2.8 PERCENT

1-6/77 (PROV) PLUS 13.4 PERCENT

(2) WPI - NO NEW DATA

C) MONEY SUPPLY

(1) M1 (BILLIONS PESETAS)(NOT SEAS. ADJUSTED)

(1/76: 1859.8; 7/76: 2076.6; 1/77: 2237.2)

4/77 2,308.6

(2) M3 (BILLIONS PESETAS)(NOT SEAS. ADJUSTED)

(1/76: 5,186.3; 7/76: 5,673.2; 1/77: 6,181.8)

4/77 6,405.0

(3) REPRESENTATIVE SHORT TERM INTEREST RATE (PERCENT)

(1/76: 11.4; 7/76: 17.4; 1/77: 12.5)

4/77 10.8

5/77 (FIRST 20 DAYS) 10.2

(4) REPRESENTATIVE LONG TERM INTEREST RATE: UNCHANGED DURING YEAR AT 14.0 PERCENT.

D) CENTRAL GOVERNMENT (NAROWLY DEFINED FOR NOS. 1-3

BELOW) (ALL DATA ARE BILLIONS OF PESETAS)

(1) DEFICIT OR SURPLUS

(1/76: -5.2; 7/76: 7.8; 1/77(PROV): 9.3)

4/77 (PROV) 19.5

(2) EXPENDITURES

(1/76: 52.4; 7/76: 93.8; 1/77(PROV): 49.4)

4/77 (PROV) 63.6

(3) REVENUES

(1/76: 47.3; 7/76: 101.6; 1/77(PROV): 58.7)

4/77 (PROV) 83.2

(4) NET GOVERNMENT FINANCE

(1/76: 2.5; 7/76: -7.0; 1/77(PROV): -13.3)

4/77 (PROV) -16.1

E) LABOR - NO NEW DATA

F) TRADE AND PAYMENTS

(1) EXPORT VALUE FOB (MILLIONS OF DOLLARS)

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(1/76: 827.6; 7/76: 765.9; 1/77: 748.3)

6/77 (\$1 EQUAL 69.16) 787.7

(BILLIONS OF PESETAS)

(1/76: 49.4; 7/76: 52.0; 1/77: 51.3)

6/77 54.5

(2) IMPORT VALUE CIF (MILLIONS OF DOLLARS)

(1/76: 1,361.6; 7/76: 1,414.3; 1/77: 1,135.7)

6/77 (\$1EQUAL69.16) 1,655.8

(BILLIONS OF PESETAS)

(1/76: 81.3; 7/76: 96.1; 1/77: 77.8)

6/77 114.5

(3) EXPORT VOLUME (MILLION METRIC TONS)

(1/76: 2.3; 7/76: 2.3; 1/77: 2.4)

6/77 2.2

(4) IMPORT VOLUME (MILLION METRIC TONS)

(1/76: 6.4; 7/76: 7.1; 1/77: 5.3)

6/77 7.3

(5) CURRENT ACCOUNT DEFICIT (BEFORE ADDITION OF
STANDARD RATION ADJUSTMENTS)(MILLIONS OF DOLLARS)

(1/76: 276.6; 7/76: 482.3; 1/77: 551.7)

4/77 (\$1EQUAL 68.73) 438.2

1-4/77 (\$1 EQUAL 68.73) 2,029.3

(6) FOREIGN EXCHANGE RESERVES (NET OF OBLIGATIONS;
EXCLUDING NON-CONVERTIBLE CURRENCY)(MILLIONS
OF DOLLARS)

(1/76: 5,874.8; 7/76: 5,084.4; 1/77: 4,753.0)

5/77 (PROV) 4,258.1

6/77 NO AVAILABLE STATISTIC

7/77 (PROV) 4,431.2

(7) NO NEW OFFICIAL DEBT STATISTIC.

(8) MADRID FOREIGN EXCHANGE BUYING AND SELLING RATES (PESETAS/
DOLLAR)

AUGUST 22, 1977 84.462 AND 84.722

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NNN

Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
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From: MADRID USOECD
Handling Restrictions: n/a
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Secure: OPEN
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Subject: KEY SPANISH ECONOMIC STATISTICS - NUMBER 9
TAGS: EFIN, ETRD, ECON, SP, OECD
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Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/51fa6856-c288-dd11-92da-001cc4696bcc
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